

GVNW Consulting, Inc.  
Comments to NTIA and RUS  
Docket No. 090309298-9299-01

**BEFORE THE**  
  
**U.S. DEPARTMENT OF COMMERCE**  
**National Telecommunications and Information Administration**  
  
**U.S. DEPARTMENT OF AGRICULTURE**  
**Rural Utilities Service**  
  
Washington, D.C.

In the matter of	)	
American Recovery and Reinvestment	)	Docket No. 090309298-9299-01
Act of 2009 Broadband Initiatives	)	
Joint Request for Information	)	

**COMMENTS OF GVNW CONSULTING, INC.**

Comments submitted to [BTOP@ntia.doc.gov](mailto:BTOP@ntia.doc.gov) by  
GVNW Consulting, Inc.  
8050 SW Warm Springs Street, Suite 200  
Tualatin, Oregon 97062

April 13, 2009

## **TABLE OF CONTENTS**

Executive Summary	3
Introduction	4
Definitional issues	5
Unserved Areas	6
Underserved Areas	6
Broadband	6
Merits of State assistance in selection of projects to be funded	7
Sustainability issues	8
Broadband mapping should meet the needs of the individual state	9

## **EXECUTIVE SUMMARY**

The recent national stimulus program has created the need for several federal agencies to define the terms of programs that will distribute the funds to qualified applicants across the country. We offer the following proposed definitions for consideration by the NTIA, RUS, and the FCC for 2009 and 2010:

“Unserved area” shall be defined for wireline broadband as any location that cannot receive the starting point of the current speed specified in the Basic Broadband Tier 3 service as defined by the FCC (1.5 Mbps downstream).

“Underserved area” shall be defined for wireline broadband as any location that cannot receive at least 20 Mbps downstream, as this is a common estimate of bandwidth required to subscribe to what is commonly referred to as the “triple play” of video, data, and voice service, with the ability to handle high-definition channels. [This is at the top end of the current sixth tier as per the June, 2008 FCC definition.]

“Broadband” shall be defined as communications systems capable of providing high-speed transmission of data, voice and video services over the Internet and other networks to customer locations. [If there is a need to provide various tiers or levels of a broadband definition, it would be possible to use the existing FCC tier system that is based on broadband speeds, but recommend “combining/collapsing” the first two tiers.]

Under the proper parameters, state involvement in the selection process could provide a vital resource that could be instrumental in facilitating the timely distribution of grant and loan funding.

The questions posed in this request for comments demonstrate the tension that is present between adding as many bits of information and data to this initial national mapping venture as may ultimately be desired versus the need for some states to begin in earnest so as to ensure that statewide inventory maps can be efficiently rolled up into a searchable national broadband database to be made available on NTIA’s Web site no later than February, 2011.

At a minimum, however, it is important for the NTIA to approve a process by which a state that coordinates the work of its various state agencies through the Governor’s office and designates a state agency to act as the coordinator of the mapping effort is afforded the opportunity to pursue the mapping of its broadband inventory in a manner that meets its individual needs and allows for submission to the NTIA so that NTIA may be in the position to meet its February, 2011 target completion date.

We respectfully request that as definitions are formulated for implementing the Recovery Act and the BTOP that the circumstances related to meeting the needs of customers in high cost to serve rural areas are carefully evaluated and factored into the final decisions.

## **INTRODUCTION**

The recent national stimulus program has created the need for several federal agencies to define the terms of programs that will distribute the funds to qualified applicants across the country. Section 6001 of the American Recovery and Reinvestment Act of 2009 (Recovery Act) requires the National Telecommunications and Information Administration (NTIA) to establish the Broadband Technology Opportunities Program (BTOP). The Recovery Act further establishes authority for the Rural Utilities Service (RUS) to make grants and loans for the deployment and construction of broadband systems.

In addition to holding a series of informational public meetings, the Department of Commerce seeks comments on a host of issues. The purpose of this filing is to provide input to the Department on several of these matters, including definitional issues, state involvement in grant and loan selection, sustainability issues, and broadband mapping needs.

GVNW Consulting, Inc. (GVNW) is a management consulting firm that provides a wide variety of consulting services, including regulatory and advocacy support on issues such as universal service, intercarrier compensation reform, and strategic planning for communications carriers in rural America. We respectfully request that as definitions are formulated for implementing the Recovery Act and the BTOP that the circumstances related to meeting the needs of customers in high cost to serve rural areas are carefully evaluated and factored into the final decisions.

## **DEFINITIONAL ISSUES**

The Conference Report on the Recovery Act states that the NTIA should consult with the Federal Communications Commission (FCC) on defining the terms “unserved area,” “underserved area,” and “broadband.” The Recovery Act also requires that NTIA shall, in coordination with the FCC, publish nondiscrimination and network interconnection obligations that shall be contractual conditions of grant awards.

On June 12, 2008, the FCC offered its current definition of broadband tiers in WC Docket No. 07-38:

*The FCC has established the following levels of broadband: (1) greater than 200 kbps but less than 768 kbps; (2) equal to or greater than 768 kbps but less than 1.5 mbps; (3) equal to or greater than 1.5 mbps but less than 3.0 mbps; (4) equal to or greater than 3.0 mbps but less than 6.0 mbps; (5) equal to or greater than 6.0 mbps but less than 10.0 mbps; (6) equal to or greater than 10.0 mbps but less than 25.0 mbps; (7) equal to or greater than 25.0 mbps but less than 100.0 mbps; and (8) equal to or greater than 100 mbps.*

One of the biggest challenges in the context of setting BTOP definitions is to obtain a consensus on what the proper working definitions of “underserved” and “unserved” areas should be. We believe that there are several points that are germane to developing working definitions for these important terms.

First, if the goal is to develop what may be termed as “point in time” definitions, then it will be necessary to conduct periodic updates so as avoid setting a definition that becomes quickly outdated. One only need to examine the first two tiers of the FCC definition of broadband levels to understand that many observers question whether these lower tier speeds are legitimately “broadband” on the world telecommunications stage. Many commenters and observers are hopeful that this stimulus funding will jumpstart the average U.S. connection speed in the short-term. Setting a properly calibrated definition

for the purpose of dispensing stimulus funding can be an important catalyst for such events to occur.

Second, we question whether it is practical to create an effective mechanism to periodically update such key definitions. Accordingly, we recommend that these initial definitions be considered more of a 2010 definition than a 2000-vintage definition. With the above considerations in mind, we offer the following proposed definitions for consideration by the NTIA, RUS, and the FCC in the BTOP process for 2009 and 2010:

“Unserved area” shall be defined for wireline broadband as any location that cannot receive the starting point of the current speed specified in the Basic Broadband Tier 3 service as defined by the FCC (1.5 Mbps downstream).

“Underserved area” shall be defined for wireline broadband as any location that cannot receive at least 20 Mbps downstream, as this is a common estimate of bandwidth required to subscribe to what is commonly referred to as the “triple play” of video, data, and voice service, with the ability to handle high-definition channels. [This is at the top end of the current sixth tier as per the June, 2008 FCC definition.]

“Broadband” shall be defined as communications systems capable of providing high-speed transmission of data, voice and video services over the Internet and other networks to customer locations. [If there is a need to provide various tiers or levels of a broadband definition, it would be possible to use the existing FCC tier system<sup>1</sup> that is based on broadband speeds, but we recommend “combining/collapsing” the first two tiers.]

---

<sup>1</sup> At the present time, the FCC considers the following levels of broadband: (1) greater than 200 kbps but less than 768 kbps; (2) equal to or greater than 768 kbps but less than 1.5 mbps; (3) equal to or greater than 1.5 mbps but less than 3.0 mbps; (4) equal to or greater than 3.0 mbps but less than 6.0 mbps; (5) equal to or greater than 6.0 mbps but less than 10.0 mbps; (6) equal to or greater than 10.0 mbps but less than 25.0 mbps; (7) equal to or greater than 25.0 mbps but less than 100.0 mbps; and (8) equal to or greater than 100 mbps.

## **MERITS OF STATE ASSISTANCE IN SELECTION OF PROJECTS TO BE FUNDED**

Another key issue for implementation concerns what role each state should play in the selection process of funding applicants for grants and loans. Based on recent comments and correspondence, it appears that a majority of the states have a high level of interest in assisting with the stimulus funding process in order to ensure that this important funding is dispersed efficiently and quickly.

For example, in an April 2, 2009 letter<sup>2</sup> from the National Association of Regulatory Utility Commissioners (NARUC) to Commerce Secretary Gary Locke, Agriculture Secretary Tom Vilsack, and Assistant Commerce Secretary for Communications and Information Anna Gomez, NARUC indicated that the tight timeframes that have been provided to release the funds should encourage state involvement. The need for prompt action, coupled with NTIA's role in the DTV transition implementation, create a tailor-made situation for a significant state role.

NARUC further opines that neither the NTIA nor the RUS currently employ a large enough staff to review what is anticipated to be thousands of applications expected to be submitted, or *“much less rank the proposals according to ARRA-specified criteria, disburse the funds, and monitor grant specific implementations.”*

These April 2 comments continue a theme from last month's recommendations from NARUC that RUS and NTIA rely on the states to review the applications and indicate which ones would best meet a particular state's broadband needs.

---

<sup>2</sup> This correspondence was signed by 87 regulators representing 38 states. Specific names and states are not listed here, but it is self-evident that the number of states and regulators indicates a significant expression of interest in this vitally important program from those who may be in the best position to quickly evaluate the merits of a large volume of requests for funding. States have a variety of needs, and are at different points in the broadband deployment continuum.

In this April 2 letter, NARUC is now asking that the agencies request that governors specify a state entity to review and rank all in-state project applications based on the specified criteria, with the NTIA and RUS making all final funding decisions.

We believe that this latest NARUC proposal has considerable merit. Under the proper parameters, state involvement in the selection process could provide a vital resource that could be instrumental in facilitating the timely distribution of grant and loan funding.

## **SUSTAINABILITY ISSUES**

In the request for comments pertaining to establishing selection criteria for grant awards, the question is posed as to what factors should be given priority in determining whether proposals will encourage sustainable adoption of broadband service.

One obvious factor that we recommend be considered is a demonstrated track record of providing communications services in a sustainable fashion. While some may criticize this as providing an advantage to incumbent providers, the plain fact of the matter is that broadband penetration must be sustained in order for the stimulus funding to have been a worthwhile investment of taxpayer dollars in America's future. Especially in rural areas, there will be a challenge to provide broadband in a sustained fashion. The situations where only one business case can be made may best be served by the incumbent provider.

In addition, we would encourage that a careful review be given to applications from the large national carriers that to this point have ignored substantial portions of their service territory. We believe that an additional burden of proof is required for these



providers to demonstrate that broadband is “sustainable” when to this point they have virtually ignored deploying the necessary facilities.

## **BROADBAND MAPPING SHOULD MEET THE NEEDS OF THE INDIVIDUAL STATE**

The Recovery Act directs NTIA to establish a comprehensive nationwide inventory map of existing broadband service capability and availability in the United States that depicts the geographic extent to which broadband service capability is deployed and available from a commercial provider or public provider throughout each State.

The questions posed in this request for comments demonstrate the tension that is present between adding as many bits of information and data to this initial national mapping venture as may ultimately be desired versus the need for some states to begin in earnest so as to ensure that statewide inventory maps can be efficiently rolled up into a searchable national broadband database to be made available on NTIA’s Web site no later than February, 2011.

While it may be beneficial to have some level of discussion about what basic or common standards should be applied across the country, we strongly encourage the NTIA to avoid the pressure to undertake a debate that well could run all the way to its February, 2011 target delivery date for completion of the actual mapping result. Our experience in similar national standard debates has proven to us that this is indeed a formidable task. It is vital from a public policy perspective to remember that the inventory map is the scorecard, and not the contest. The goal in this game is to deploy

more broadband facilities throughout the country so as to improve the ranking that the United States currently possesses on the world broadband stage.

At a minimum, however, it is important for the NTIA to approve a process by which a state that coordinates the work of its various state agencies through the Governor's office and designates a state agency to act as the coordinator of the mapping effort is afforded the opportunity to pursue the mapping of its broadband inventory in a manner that meets its individual needs and allows for submission to the NTIA so that NTIA may be in the position to meet its February, 2011 target completion date.

Respectfully submitted,

Jeffrey H. Smith  
Vice-President and Division Manager – Western Region  
Chairman of the Board of Directors  
GVNW Consulting, Inc.  
8050 SW Warm Springs Street, Suite 200  
Tualatin, Oregon 97062  
Email: [jsmith@gvnw.com](mailto:jsmith@gvnw.com)

April 13, 2009